

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

Revised based upon amendments adopted

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2016-17</b>		<b>FY 2017-18</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	1,000,000		1,000,000	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>1,000,000</b>		<b>1,000,000</b>	

**Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.**

As amended, LB 1038 would have the following fiscal impact:

**Riparian Vegetation Management Task Force** – AM 2472 to LB 1038 would establish legislative intent that the Riparian Vegetation Management Task Force be funded at a level of \$1,000,000 per year beginning in FY16-17. The purpose of the appropriation would be to manage vegetation within the banks of a natural stream or within 100 feet of the banks of a channel of any natural stream. Am 2472 specifies the membership of the Riparian Vegetation Management Task Force and provides that the task force be administratively housed within the Department of Agriculture. Administrative costs would be limited to \$25,000 of the total appropriation. Costs would come from the General Fund, with \$975,000 earmarked as state aid. It is anticipated that the Department of Agriculture could utilize existing staff to carry out riparian vegetation management functions.

**Hydropower water appropriations changed to instream basin management appropriations** – AM 2472 to LB 1038 would amend sections of law governing water appropriations to allow that an appropriation for the manufacturing of hydropower could be changed to an instream basin management appropriation to be held jointly by the Game and Parks Commission and any natural resources district or a combination of natural resources districts. AM 2472 establishes provisions for the calculation of just compensation to be paid in the event that such a change is approved.

Because these provisions are permissive, the timing of any fiscal impact to the Game and Parks Commission and natural resources districts would depend upon when such an agreement is reached between applicable parties. It is estimated that there would be a one-time fiscal impact to natural resources districts to carry out just compensation. Any potential fiscal impact to the Game and Parks Commission would also depend upon the timing and nature of compensation agreements. It is anticipated that the Game and Parks Commission could make application to existing sources of cash-funded state aid grant programs to meet any possible funding requirements related to just compensation. It is estimated that the Department of Natural Resources could carry out the regulatory provisions of AM 2472 with existing staffing and budgetary resources.

**Vegetation control** -- AM2688, which is LB 639, requires the Department of Roads to establish a program that allows permits to be issued for the control of vegetation in the vicinity of advertising signs, displays, or devices that are placed along highways. A permit issued under this authorization would allow the cutting, trimming, or spraying of vegetation under controlled conditions. The permit fee cannot exceed \$50.

The fiscal note from the Department of Roads (attached as LB639 AM2025) estimates it will take 16 hours to perform the work necessary to issue a permit and perform a post activity inspection at a related cost of \$320. This is based on an average wage of \$20 per hour. These costs represent employee time charged to this activity but are not actual increases in expenditures. Based on the department's estimated cost of \$320 to issue a permit, if the permit fee is set at the maximum amount of \$50 the department will be subsidizing \$270 of the issuance costs. No estimate is available on the number of permits that will be issued.

The cost to write rules and regulations are estimated by the department to cost \$1,600. Again, these costs represent an employee's time charged to this activity but are not actual increases in expenditures.

**Niobrara Council** -- AM2675, which is LB 1019, makes three changes to the statutes involving the Niobrara Council. (The fiscal note from the Game and Parks Commission is attached as LB1019.)

The first change would require Legislative confirmation of appointments made to serve on the Council. Assuming that current members who are reappointed would be reimbursed for their travel costs to attend their confirmation hearing the Council's expenditures would increase during those years that there were in fact reappointments. In July, 2018, seven members are up for reappointment, travel reimbursement if all seven are reappointed are estimated to be \$3,700. This estimate includes an overnight stay, meals, and mileage reimbursement. The cost would be incurred during the 2019 Legislative session and fall in FY2018-19.

The second change impacts the amount of assistance that the Game and Parks Commission is allowed to provide to the Niobrara Council. Current statute limits this assistance to administrative support and limits this support to \$50,000 in any calendar year. LB 1019 expands the allowed support to include "budgetary, operational, and programmatic" support and eliminates the \$50,000 cap. Since the statute provides that the Game and Parks Commission "may" provide this additional support it is not believed that this provision will alter the current relationship between the Council and the Commission and will not have a fiscal impact. If the Commission did decide to expand the amount of assistance provided to the Council there would be a fiscal impact, but this is not required by the bill.

The third change requires the Council to electronically submit an annual report on their expenditures to the Legislature. This requirement has no fiscal impact.

Please complete ALL (5) blanks in the first three lines.

**2016**

**LB<sup>(1)</sup> LB1038 AM 2472 Water Appropriation**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup>

Nebraska Game and Parks Commission

Prepared by: <sup>(3)</sup> Patrick H. Cole

Date Prepared: <sup>(4)</sup> 03/10/2016

Phone: <sup>(5)</sup> 402-471-5523

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2016-17</u>		<u>FY 2017-18</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

**Explanation of Estimate:**

The bill as amended would establish the Riparian Vegetation Management Task Force and provides for a Game and Parks representative on the Task Force.

Additionally, the amended bill would allow for an appropriation for the manufacturing of hydropower to be changed to an instream basin-management appropriation to be held jointly by the Game and Parks Commission and any natural resources district or combination of natural resources districts. Such change is intended to maintain the streamflow for fish, wildlife, and recreation as well as utilized to assist to assist in the implementation of an approved integrated management plan(s) within the river basin. Priority date preference is also addressed.

Just compensation to be paid to an instream basin-management appropriation holder under these circumstances by a superior right holder is to be the cost per acre-foot of water subordinated at the time of approval. The amount of compensation may be adjusted annually provided any increase shall not exceed the Consumer Price Index.

No fiscal impact is anticipated

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2016-17</u>	<u>2017-18</u>
	<u>16-17</u>	<u>17-18</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

LB<sup>(1)</sup> 1038, AM2472

FISCAL NOTE

State Agency OR Political Subdivision Name: Department of Natural Resources  
 (2)

Prepared by: Ron Theis Date Prepared: 3/10/16 Phone: 402 471 0577  
 (3) (4) (5)

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2016-17		FY 2017-18	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	0	0	0	0
CASH FUNDS	0	0	0	0
FEDERAL FUNDS	0	0	0	0
OTHER FUNDS	0	0	0	0
TOTAL FUNDS	0	0	0	0

Explanation of Estimate:

The amendment does not create any fiscal impact upon agency budget or operating costs.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2016-17	2017-18
	<u>16-17</u>	<u>17-18</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
			0	0
			0	0
Benefits.....			0	0
Operating.....			0	0
Travel.....			0	0
Capital outlay.....			0	0
Aid.....			0	0
Capital improvements.....			0	0
TOTAL.....			0	0

Please complete ALL (5) blanks in the first three lines.

**2016**

**LB<sup>(1)</sup> 639 AM2025**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup>

Nebraska Dept of Roads

Prepared by: <sup>(3)</sup> Becky Fleming

Date Prepared: <sup>(4)</sup> 2/18/2016

Phone: <sup>(5)</sup> (402) 479 4692

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2015-16</u>		<u>FY 2016-17</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	=====	=====	=====	=====

**Explanation of Estimate:**

LB 639 AM2025 provides that Department of Roads shall establish and administer a vegetation control program. The rules and regulations of the program will provide for the issuance of permits and performance bonds. Such permit shall allow the cutting, trimming or spraying of vegetation under controlled conditions where lawfully placed sign, display or device is obstructed or obscured from vegetation. If the conditions of such permit are violated, the performance bond will be forfeited to the state.

The Department has estimated the cost of writing the rules and regulations for the vegetation control program to be approximately 80 hours at an average salary of \$20 per hour to total \$1,600.

Before a permit can be issued NDOR's District ROW Permit Officer must perform an analysis including site review, conservation easement, access options and environmental commitments which are estimated to take 8 hours. These findings must be reviewed by the District Engineer, ROW Manager, and Planning & Project Development Manager at an estimated at 3 hours. Post activity site review will be performed by the District Maintenance Supervisor at an estimated at 5 hours. A total of 16 hours will be necessary to issue each permit, with an average salary of \$20 per hour. The total cost of issuing each permit would be \$320.

If the permit fee is not to exceed \$50, this would result in the Highway Cash Fund being used to cover additional expenses of this program. No estimate is available on the number of permits that may be issued.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2015-16 EXPENDITURES</u>	<u>2016-17 EXPENDITURES</u>
	<u>15-16</u>	<u>16-17</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	_____	_____	_____	_____

Please complete ALL (5) blanks in the first three lines.

**2016**

**LB<sup>(1)</sup> 1019 Niobrara Council changes**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup>

Nebraska Game and Parks Commission

Prepared by: <sup>(3)</sup> Patrick H. Cole

Date Prepared: <sup>(4)</sup> 1/20/16

Phone: <sup>(5)</sup> 402-471-5523

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2016-17</u>		<u>FY 2017-18</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	3,700	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<u>_____</u>	<u>_____</u>	<u>3,700</u>	<u>_____</u>

**Explanation of Estimate:**

The proposed legislation would require the 7 members of the Niobrara Council chosen by the Governor to be approved by the Legislature.

Seven members are up for reappointment July 2018. It is assumed that Legislative approval would require a trip to the Capital and an appearance before a legislative committee (though one is not identified). Members of the council can be reimbursed for actual and necessary expenses in carrying out their duties. It is assumed that the approval process would take place while current members/reappointees would still be in their capacity and thus would be eligible for expenses. A new appointee would not be since they would not officially be a member until after the approval process. This may need clarification.

Assuming an overnight trip with lodging (\$89/night/pp) and 2 days of meals (\$46/day/pp), mileage at \$0.54/mi for 640 mile/round trip per/person (Valentine to Lincoln mileage) the total expense could be nearly \$3700. Costs could be less if carpooling is a viable option. These expenses are not thought to be eligible for Federal assistance thus general fund authority would be necessary.

Language associated with the Nebraska Game and Park Commission's relationship with the Council is proposed to be modified to expand beyond current administrative support, to include budgetary, operational and programmatic support. It is not clear whether this expanded language is intended to increase the Commission's role beyond the administrative accounting support currently supplied or not. If so, then a fiscal impact would be incurred,

CONTINUED...

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2016-17</u>	<u>2017-18</u>
	<u>16-17</u>	<u>17-18</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>

although unknown since it would be dependent upon the Council's request for assistance and the Commission's ability to provide same. Currently any administrative support (presumed to be staff time for budget submittal and payment processing) provided is limited to \$50,000 in any calendar year. The proposed legislation would eliminate this limit. It is not thought that this limit relates to Aid appropriations granted the Council through the budgetary process.

The proposed legislation would also require the Council to provide the Legislature (Clerk of the Legislature and Chair of Natural Resources Committee) an annual report (due each December 1, beginning in 2016) describing expenditures made pursuant to the Niobrara Scenic River Act. It is presumed that this new requirement would be accomplished at the expense of other duties.